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December 17, 2001

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The Honorable William A. Mundell
Chairman
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

The Honorable Marc Spitzer
Commissioner
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

AZ CORP COMMISSION
VOTER NOTICE

DOCKETED

DEC 17 2001

The Honorable Jim Irvin
Commissioner
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

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Dear Commissioners:

DMB Associates is seeking water and wastewater utility service from Citizens Communications Company, Agua Fria Division and Citizens Water Services Company of America (collectively "Citizens"), for its new mixed-use residential/commercial community. Currently in the naming process, the 8,800-acre community known as the "Caterpillar Property" is located north and south of I-10 on the eastern side of the White Tank Mountains, entirely within the municipal jurisdiction of the Town of Buckeye. The Property is currently owned by a single entity, the Caterpillar Foundation, an Illinois not-for-profit corporation.

As a part of the development process, DMB has requested that Citizens extend water and wastewater utility service to the Property. DMB has reviewed alternatives for obtaining utility service for the community, however, we believe that obtaining service from Citizens is the most responsible manner of providing utility service and is in the best interest of the current and future residents of the region. Furthermore, obtaining service from Citizens is consistent with the Commission's Task Force recommendation encouraging large regional providers over small piecemeal providers.

Town Building Opportunity

As a company, DMB seeks out town building opportunities in exceptional and spectacular settings such as the Property. At approximately 13 square miles in size, this property is unique in that it is one of the largest private landholdings in Maricopa County. Situated on the eastern side of the White Tank Mountains, the Property geographically provides a natural western boundary for the Phoenix metropolitan area. Moreover, the backdrop of the White Tank Mountains makes this property meaningfully different. These physical qualities, along with DMB's expertise in community development, provide the best platform to achieve a measurable increase in the quality of the built environment for the region.

DMB's plan for the Property utilizes "town-building principles" to create a rich and integrated fabric of employment, retail, educational, residential and recreational uses similar to those found in traditional American small towns. These town building principles favor architectural variety and individuality, parks, walkable streets, front porches and neighborhood interaction. Social and economic infrastructure will be established which will bring those within the community together and invite others from throughout the region. The community's efficiency of land use, well-connected circulation system, integration of uses as well as the artful expression of community and neighborhood are key aspects that have been missing from residential development in recent years. These qualities stand in stark contrast to the typical suburban planning models of the last several decades.

The approved plans for the Property include a balanced mix of land uses to create a sustainable community. More than four million square feet of commercial uses are approved that will provide tremendous employment, retail and industrial opportunities in the region. The bulk of the commercial uses will be strategically located near the I-10 corridor and within the heart of the community and will include a pedestrian-oriented central shopping, dining, residential and recreational town center. Schools, health care, employment, shopping, recreational amenities and homes will be located in close proximity to one another, minimizing traffic and commute times. The community will also contain open spaces and an extensive path and trail system that will connect activities within the community and to other recreational amenities in the region.

Opportunity for Orderly and Efficient Infrastructure Development

In addition to the social and economic network envisioned for the Property, the establishment of orderly and efficient physical infrastructure development will tie all activities and land uses together. The ownership of a parcel of land of this size by one entity creates tremendous opportunities to plan for sustainable and environmentally responsible development. In sharp contrast, piecemeal development of smaller parcels necessarily results in less efficient infrastructure systems, specifically including utility systems, and less orderly growth patterns. Moreover, piecemeal development often leads to less sensitive environmental development and encourages the proliferation of septic systems for wastewater as well as numerous and less efficient private wells for domestic uses.

Opportunity to Create a New Standard

We believe obtaining water and wastewater utility service from Citizens is in the best interest of the future residents of the Property and the region and is consistent with the Commission's policy of encouraging consolidation. Through DMB's town-building principles, the consolidation of social, economic, and physical infrastructure will enhance the live, work, and play environment. In addition, DMB's financial ability to stand behind the town-building principles will ensure the consistent development of the Property and establish a new standard for the region.

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We respectfully request that you favorably consider Citizens' application. Attached for your reference is background information on DMB, highlights of a few of our other projects, and a fact sheet regarding the Caterpillar project specifically. Your thoughtful attention to the foregoing is greatly appreciated.

Sincerely,



Drew Brown

President

Attachments: 1) DMB Profile
2) DMB Representative Projects
3) Whitestone Fact Sheet

ORIGINAL and 12 copies filed this
17th day of December, 2001 with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, AZ 85007

COPY delivered this day to:

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December 17, 2001

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DMB

PROFILE

DMB is a diversified real estate investment and development firm with real estate holdings that include residential communities, commercial developments and golf course properties primarily in Arizona and California. Established in 1984 and headquartered in Scottsdale, Ariz., the firm's name is synonymous with high-quality real estate developments, primarily community development.

DMB has established a successful track record of working with many municipalities in the planning and implementation of mixed-use communities, including Orange County, Calif. for Ladera Ranch; Coconino County, Ariz. for Forest Highlands; North Lake Tahoe, Calif., for Lahontan; San Diego for Black Mountain Ranch; and the City of Scottsdale for DC Ranch. DMB's long-term relationship with these municipalities is key to the success of the community.

The firm's attention to community design has been acknowledged by the industry through many prestigious awards, including the Gold Nugget Award for Best Land Plan and the MAME (Major Achievement in Marketing Excellence) award for Best Master-Planned Community.

Following are some of the essential values and business practices embraced by DMB.

- The firm is committed to raising the levels of quality and excellence in the industry and takes seriously its responsibility to serve as a steward of the land.
- DMB values and prioritizes its residents, educational facilities, technology, recreation and employment opportunities – the elements that make up a successful community.
- DMB's business practices are predicated on acquiring and developing the best properties in the marketplace.
- Building lasting relationships with municipalities, business partners and associates is key to DMB's success.

DMB

REPRESENTATIVE PROJECTS

DC RANCH

Scottsdale, Arizona

This 8,300-acre community has created a new benchmark for excellence in master-planned development in metropolitan Phoenix. The small neighborhoods of DC Ranch conform to the land and its natural features, and as a result, the community as a whole retains a small-town atmosphere that responds to residents.

In a unique cooperative effort with the City of Scottsdale, 4,600 acres of the ranch were sold to the City as protected open space.

Recognized for its contributions to community design, DC Ranch has been awarded the 1998 MAME award for Best Master-Planned Community; the Orchid Award in 1998 for Best Residential Development; and the Gold Nugget Award for the Best Community/Town Site Plan. Visit DC Ranch on the Web at www.DCRanch.com.

LADERA RANCH

Orange County, California

Ladera Ranch is a 4,000-acre master-planned community of distinctive residential villages and neighborhoods set in Rancho Mission Viejo in Orange County, Calif. DMB, which has a rich heritage of thoughtful master-planned community development, followed the lead of the family that has owned the historic Rancho Mission Viejo since 1882 and have helped guide the balanced development and conservation of South Orange County's precious land resources.

A variety of residential housing types reflect the aesthetic charm and neighborhood structure reminiscent of traditional Southern California towns. Each residential village has subtly distinguished product mixes, landforms, development patterns, and architectural style and landscape character. Approximately 1,600 acres are preserved for open space elements such as natural arroyos, hillsides and reidgeline trails. Visit Ladera Ranch on the Web at www.Laderaranch.com.

SANTALUZ

North San Diego County, California

To maintain the unique character of its location, DMB conceived of a low-density community for the rolling costal site in north San Diego County, California, called Santaluz. The 3,800-acre community offers a tremendous range of topography, and its density of one home per four acres allows the creation of unique design elements, such as circular home sites, to emphasize a blending of landscaping and architecture with the natural contours of the terrain. This unique element creates villages interlaced with neighboring homes and gardens, trails, preserves, winding streets and a village green, designed to give Santaluz residents a common community identity.

The homes reflect a variety of influences, from European farmhouses, historic adobe ranches and Monterey homesteads to traditional Southern California ranches reminiscent of the homes designed by Wallace Neff, Cliff May and Lollian Rice.

Recognized for its innovative design, Santaluz was recently presented with the 2001 Gold Nugget Award for Best Land Plan. Visit Santaluz on the Web at www.Santaluz.com.

WHITESTONE

FACT SHEET

Location

- 8,800 acres in the foothills of the White Tank Mountains, 25 minutes from Downtown Phoenix

Timeline

- Groundbreaking scheduled for spring, 2002 with Phase I models open in summer, 2003

History

- Used as proving ground and demonstration area of Caterpillar Inc. from 1948-1988
- Caterpillar then donated the land to the Caterpillar Foundation, an Illinois-based non-profit.
- The Caterpillar Foundation selected DMB to develop the property and a Master Agreement for the sale of the land was executed in 1999. DMB also acquired 165 acres contiguous to the south boundary of the proving grounds and adjacent to Interstate 10.

Community Description

- "Main Street America" design with a town center featuring shopping, dining, entertainment and business offices
- Several housing choices from condominium-style townhouses to single-family homes. Styles and price range appeal to a broad cross-section of society.
- Four million square feet of commercial, office, industrial development planned.

Amenities and Recreation

- Trail system through the desert and into the foothills of the White Tank Mountains
- Tom Lehman championship 18-hole golf course
- 21 parks planned for Phase I – one small park every two blocks
- State-of-the art communications, high-speed Internet and community Intranet

Schools

- Education will be the cornerstone of Whitestone. Full educational options will be available from pre-school through college with the first school being completed in 2003.